



## **IRISH LIFE INVESTMENT MANAGERS (ILIM)**

### ***The week that was – WEEK 35 (ending 28/08/2015)***

**“ If opportunity doesn't knock, build a door. ” – Milton Berle**

**Car sales drive large Irish retail figures increase in July** – The volume of Irish retail sales increased by a substantial 11.6% in July compared to June and there was an increase of 9.9% in the annual figure. If Motor Trades are excluded, there was a rise of 0.6% in July and an increase of 6.6% in the annual number.

**Irish employment figures at six-year high** – The CSO reported that Ireland's official unemployment rate fell to 9.5% in July with an addition of 57,000 jobs in the 12 months to Q2 2015. Employment grew by 1.0% on the quarter after an upwardly revised 0.8% gain in Q1 and is at six-year high. Annual employment growth is 3%.

**ECB will act to get inflation on target** – Peter Praet, a member of the European Central Bank's executive board said the ECB will act to combat the China and oil-price reduction impact on their inflation target of around 2%, beefing up its anti-deflation asset-buying programme if necessary. Inflation is currently at 0.2%.

**U.S. economy grew a surprisingly large 3.7% in Q2** - Data released showed that the U.S. economy grew 3.7% in the second quarter, much faster than a previous estimate of 2.3%. This resulted in S&P 500 and Nasdaq Composite indices having their biggest two-day increases since 2009 to reduce the recent large falls.

**Russia cuts economic growth forecasts** – Russia's Economy Minister Alexei Ulyukayev cut growth forecasts for this year and next amid the plunge in energy prices and sanctions over Ukraine. GDP will fall 3.3% in 2015, from an earlier 2.8% drop forecast. He predicted 2% for 2016, from an earlier estimate of 2.3%.

**China cuts interest rates again** – In China's fifth interest rate cut since November, the central bank lowered the benchmark lending and deposit rates by 0.25%. It also cut the so-called reserve requirement ratio (the amount of cash that banks are required to hold in reserve) by 0.5%, so encouraging banks to lend more.

**The Story of the week:** A mountain resort in Switzerland is launching special train services for Chinese tourists to defuse tensions with other visitors. According to the Swiss newspaper Blick, noisy throngs of Chinese tourists disturb those who visit Mount Rigi in the Alps in search of peace and relaxation. Half the visitors to Mt. Rigi come from China.

#### **DISCLOSURE:-**

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## Index Performances and Market Data\*

<b>Equity Markets (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD (to 28/08)</b>
ISEQ Overall Return	-0.1	2.6	20.5	35.8	16.8	19.3
FTSE 100 TR	12.6	-2.2	10.0	18.7	0.7	-2.0
Euro Stoxx 50 TR	-2.8	-14.1	18.1	21.5	4.0	6.6
S&P 500 TR	15.1	2.1	16.0	32.4	13.7	-2.1
Nasdaq Composite	16.9	-1.8	15.9	38.3	13.4	1.9
Nikkei 225	-3.0	-17.3	22.9	56.7	7.1	9.6
MSCI Emerging Markets	11.7	-14.9	13.9	0.9	2.6	-7.4
MSCI World	7.8	-7.6	13.1	26.2	7.7	-1.0
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
US	3.3	1.9	1.7	3.0	2.2	2.2
German	3.0	1.8	1.4	1.9	0.5	0.7
UK	3.4	2.0	1.9	3.0	1.9	2.0
Japan	1.1	1.0	0.7	0.7	0.3	0.4
Ireland	9.1	8.4	4.5	3.4	1.3	1.4
Italy	4.8	7.1	4.6	4.1	2.1	1.9
Greece	12.5	31.7	12.7	8.2	9.6	8.9
Portugal	6.6	13.4	6.9	6.1	2.7	2.6
Spain	5.5	5.1	5.4	4.1	1.6	2.1
<b>Central Bank Rates (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
<b>Foreign Exchange Rates</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.12
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.73
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.54
<b>IPD All Property Return (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
Ireland	-2.4	-2.4	3.1	12.7	40.1	4.3 (Q 1)
UK	14.5	8.1	2.7	10.7	17.8	2.9 (Q 1)
US	14.8	14.5	5.3	11.4	11.2	3.1 (Q 1)

\*Past performance is not a reliable guide to future performance